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SENSITIVE
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STATE/T FOR MARC HUMPHREY, COMMERCE FOR SARAH LOPP

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TAGS: [ENRG](#) [TRGY](#) [BEXP](#) [BTIO](#) [SP](#)
SUBJECT: SPAIN TO MAINTAIN CIVIL NUCLEAR ENERGY, NO FURTHER
EXPANSION PLANNED

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1. (SBU) Summary. Civil nuclear power in Spain is being phased out. Nuclear power provides approximately 20 percent of Spain's electricity, and has remained relatively constant in recent years. Spain operates 8 nuclear reactors at 6 plants, as well as other nuclear facilities including a waste repository, and the industry employs an estimated 30,000 people. GOS policy toward the use of nuclear power shifted after the current ruling Socialist party (PSOE) was elected in 2004. Current President Zapatero has staunchly maintained an anti-nuclear stance, calling for the closure of Spain's nuclear plants as early as his election campaign in 2003. Yet the realities of steady increases in demand for electricity in what had been one of Europe's fastest growing economies have forced the GOS to maintain its existing nuclear power capacity. The result has been a GOS policy of prohibiting expansion of nuclear energy, and decommissioning existing plants as they reach the end of their useful lives. The GOS is following its plan, with the most recent decommissioning in 2006 of its Jose Cabrera plant. Politically, support for nuclear energy has traditionally fallen along party lines -- the Socialist PSOE opposes it, the conservative Partido Popular (PP) supports it. However, Zapatero and PSOE have recently signaled that their opposition to nuclear energy may be easing due to several factors, including the need to meet growing demand, reduce emissions and fund renewable energy subsidies. Additionally, accidents at three different nuclear reactors this year have fueled the national debate about nuclear power. Public support for nuclear energy is split, with slightly more people opposing its expansion than supporting it. End Summary.

Civil Nuclear Power Industry

2. (U) Today, there are no nuclear power plants under construction. Spanish architectural and engineering companies in the sector now concentrate on operational support, shutdown and decommissioning of nuclear power plants, limited research and development, and radioactive waste engineering. The lack of business opportunities in the Spanish civil nuclear market has also forced them to expand into other markets. Three of the largest Spanish nuclear companies, ENUSA Industrias Avanzadas, ENSA Equipos Nucleares and Tecnatom, have recently begun competing for new nuclear projects in China, primarily against the French company Areva and U.S. firm Westinghouse. In March 2008, an alliance of Spanish nuclear companies signed contracts with Chinese firms worth 20 million euros (28 million dollars). These companies - Equipos Nucleares SA (ENSA), Tecnatom and ENUSA - will provide equipment, steam generators, fuel control mechanisms,

supervision of construction, and control and inspection technology.

GOS Mindset: 20 Percent Nuclear a Necessary Evil

¶3. (U) Politically, support for nuclear power has fallen along party lines in Spain in recent years. The previous conservative government, which last ruled in early 2004, supported nuclear energy. The PSOE, however, has opposed the expansion of nuclear energy and has long called for the shutdown of existing facilities. During his election campaign in 2003-2004, current President Zapatero announced his intention to close Spain's eight operating nuclear reactors as renewable energy sources became viable. In March 2005, Zapatero described himself as "the most anti-nuclear component in the Spanish Government." Public support for nuclear energy is split, with 48 percent of the Spanish public opposing its expansion and 40 percent supporting it, according to an opinion poll earlier this year. A series of accidents at three nuclear plants over the past 12 months has helped fuel the debate over nuclear power.

¶4. (U) While Spain has aggressively developed renewable energy and is now the world's third largest producer of wind energy, the rapid economic growth of the last several years has led to a steady increase in Spanish electricity consumption. Despite generating 10 percent of its electricity from wind power, and an additional 10 percent from other renewable sources like hydro and solar, the challenge of meeting growing demand for electricity in what had been one of Europe's fastest growing economies has

effectively prevented the PSOE government from replacing nuclear energy with alternative sources. As a result, the GOS' policy on civil nuclear energy has shifted from Zapatero's original call to shutter productive nuclear power plants to one of closing them as they reach the end of their useful lives.

However, Opposition May be Easing

¶5. (SBU) In 2007, the Ministry of Industry, Tourism and Trade commissioned a study to forecast Spanish energy demand to the year 2030. The study was created with the assistance of an advisory board consisting of experts from the government and industry, and analyzed various scenarios using different energy production mix ratios. Notably, most of the various scenarios conducted included the assumption of at least maintaining the country's currently installed nuclear power until 2030. Upon its completion, however, the study was not published due, in part, to the nearing elections in March ¶2008. The study, and its delayed publication, contributed to calls for a national debate on nuclear energy.

¶6. (SBU) Since his reelection, Zapatero has subtly signaled that his opposition to nuclear energy may be easing. During a speech in April 2008, the President said that to solve the problem of energy supply, the GOS will need to consider the "development of new technologies, the evolution of the fossil fuels market, cross border cooperation and the availability of water resources. Along with decisions made by the European Union, this will determine the Spanish position on nuclear energy." Presumably, any new EU legislation, such as the recent Energy and Climate Package, will require sustained reductions in emissions, which could conceivably make nuclear energy a more attractive alternative.

¶7. (U) In May 2008, the President and his cabinet released a 2008-2012 national plan for electricity and gas. The plan called for the continued generation of nuclear electricity at current volume levels. The result will be a gradual reduction of nuclear power in the percent of total primary energy use as overall electricity demand and development of other sources increase. The GOS reported in the plan that

nuclear energy as a percentage of electricity generation would fall from 24 percent in 2006 to 17 percent in 2016.

¶8. (U) According to recent media reports, the Ministry of Industry, Trade and Tourism is considering extending the life of nuclear plants from 40 to 60 years. One motivation for doing so would be to help pay the accumulated debt the GOS owes to electricity generating companies for charging consumers less than the cost of producing electricity. Although rates have increased more than inflation in 2008, consumers still pay around 20 percent less than cost for electricity. According to some estimates, this debt has now reached 16.5 billion euros (23 billion dollars).

¶9. (U) Although the GOS has been a strong supporter of the Kyoto Protocol and has introduced a number of alternative energy and efficiency measures intended to reduce emissions, Spain remains among the top two developed countries furthest away from its Kyoto obligations. Under Kyoto, Spain is required to cap its emissions at 15 percent above 1990 levels by 2012. Yet Spain's emissions are estimated to be 50 percent above 1990 levels, and the country will certainly not be able to meet this target. While Zapatero and the ruling Socialist government (PSOE) have publicly defended their anti-nuclear energy stance, the GOS certainly recognizes that the use of nuclear energy contributes to emissions reductions, relative to gas and coal.

¶10. (SBU) Spain is constructing additional transmission lines along its border with France that will effectively double the capacity to import and export electricity between the two countries. Spain is a net importer of small amounts of electricity from France, much of which is likely generated at nuclear plants. To paraphrase a recent statement made by an official at the company that operates Spain's national electricity transmission network, Spain has a 'don't ask, don't tell' policy toward electricity imported from France. Officially, Spain has no knowledge of the source of electricity imported from France yet certainly understands that at least some of the electricity is generated by nuclear power.

¶11. (U) As expected, industry and union organizations favor the use and expansion of nuclear energy, and are increasing pressure on the GOS to do so. CEOE, the largest business association in Spain, has called for the government to develop a new energy strategy to include nuclear power generation. The energy sector has recommended the expansion of nuclear energy as a way to decrease both Spain's dependency on foreign oil and CO2 emissions. And several of Spain's large unions have called for increased investment in nuclear energy.

Ongoing Decommissioning

¶12. (U) The GOS is currently following its plan to decommission and dismantle nuclear power plants that have reached the end of their useful lives. In 2006, Spain decommissioned the latest nuclear power plant - Jose Cabrera - and is planning for its dismantling and decontamination. Actual decommissioning work will not begin before 2009 and is expected to be completed by 2015. Spain is also in the process of dismantling its Vandellors 1 plant, which shut down in 1990. Phase 2 of the Vandellors plant was completed in 2003, with more than 80 percent of the site released. The final phase 3 will take place after an estimated waiting period of 25-30 years.

¶13. (U) The GOS is also remediating several uranium treatment facilities, restoring 19 uranium mines that are no longer used, and decommissioning two 'argonaut-type' experimental reactors. The GOS is also decommissioning several nuclear research facilities that are currently operated by Ciemat, the government's scientific research and development organization.

¶14. (U) Decommissioning projects in Spain must include an Environmental Impact Assessment (EIA) and must obtain approval from the Spanish Nuclear Safety Council (CSN), Spain's nuclear regulator, as well as the Ministry of Environment, Rural Development and Marine Affairs. CSN was established in 1980 and is solely responsible for nuclear safety and radiation protection, and for regulating and supervising nuclear installations. The organization operates independently from the Administration and reports directly to the Spanish Parliament. Nuclear power operating licenses, which are issued by the Ministry of Industry, Tourism and Trade, are subject to approval by CSN.

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